

FISCAL NOTE

SB 2543 - HB 2912

April 19, 2004

SUMMARY OF BILL: Requires that all vehicles, including buses, purchased after the effective date of this act for the purposes of being owned, operated or leased by a school system and used to transport students must be equipped with safety belts for the driver and all passengers. After July 1, 2009, all such vehicles owned, operated or leased by a school system shall be equipped with safety belts. The Department of Safety is to establish specifications and requirements for safety belts and attachments. The driver will not be held liable in any civil or criminal action for the failure of any passenger to wear a safety belt. The State Board of Education shall promulgate rules to implement the act, including a requirement to post signs in motor vehicles to remind passengers to wear safety belts.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures*:

\$5,750,000 Recurring FY04-05 and Thereafter

\$84,000,000 FY 04-05 thru FY08-09 One-Time

Assumes an estimated 575 new buses will be purchased annually with an additional average cost of \$10,000 per bus to equip with seat belts (575 buses x \$10,000 = \$5,750,000). New buses are purchased each year due to the retirement of old buses and to handle population growth. Each new bus costs on average \$65,000-\$70,000 without seat belts and \$75,000-\$80,000 with seat belts. In addition, a 78-passenger bus will become a 52-passenger bus by adding seat belts thereby creating a need for additional buses to handle the transportation of existing students.

Assumes approximately 8100 existing buses with a retirement rate of approximately 500 buses each year. Therefore, it is estimated that approximately 2500 existing buses will be retired by FY08-09. This would leave approximately 5600 buses which would be required to be retrofitted from FY04-05 through FY08-09 at an average cost of \$15,000 per bus (5600 buses x \$15,000 = \$84,000,000). The cost assumes the retrofitting of school buses would require that the entire seat be replaced with the appropriate type of seat belt and/harness attached.

In addition, an increase in expenditures by local school systems for transportation results in an estimated increase in state funds generated by the BEP formula for transportation in subsequent years.

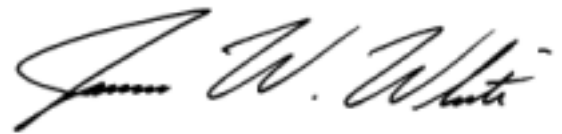
For information purposes, the requirement that new buses be equipped with safety belts and existing buses be retrofitted with safety belts for all passengers could increase the number of buses that LEAs will have to purchase, since: 1) some systems currently exceed the school bus manufacturer's seating capacity; and 2) the seating capacity of buses could limit the number of students per seat from three to two. For example, a 78-passenger bus could be reduced to a 52-student capacity. Therefore, if more buses are required to be purchased, additional bus drivers, fuel, tires, insurance, etc. would also be needed. Such factors could significantly increase the long term impact.

In addition, the school bus industry is currently preparing for the eventuality of school seat belt laws by producing bus seats with three point harnesses for availability in new buses. However, according to the Bluebird Bus Company, when a bus is altered (retrofitted) after being certified by the federal government as meeting multiple safety standards, federal certification becomes invalid and the school district assumes 100% liability for the safety of that vehicle.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "J. W. White", written in a cursive style.

W. White, Executive Director